Emirates Telecommunications Group Company PJSC

Earnings Release - Fourth Quarter 2022

6 March 2023

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Financial Highlights for FY 2022

The Group closed the year recording outstanding full year performance, delivering against our financial guidance and exceeding profitability expectations, all withstanding operating environment challenges such as inflationary pressures, competitive constraints, and regulatory bottlenecks

Aggregate Subscriber Base

163
million

Representing a year over year increase of **2%**

Consolidated Reported Revenues

AED 52.4
billion

Representing a **2%** decrease year over year with a **constant currency growth of 5%**

Consolidated Reported EBITDA

AED 26.2
billion

Representing a **2%** decrease year over year with a **constant currency growth of 4%** and an EBITDA margin of **50%**

Consolidated Net Profit After Royalty

AED 10.0
billion

Representing a year over year increase of **7%** with a net profit margin of **19%**

Consolidated Capital Spending

AED 8.0
billion

Representing a year over year decrease of **4%** with an intensity ratio of **15%**

Operating Free Cashflow

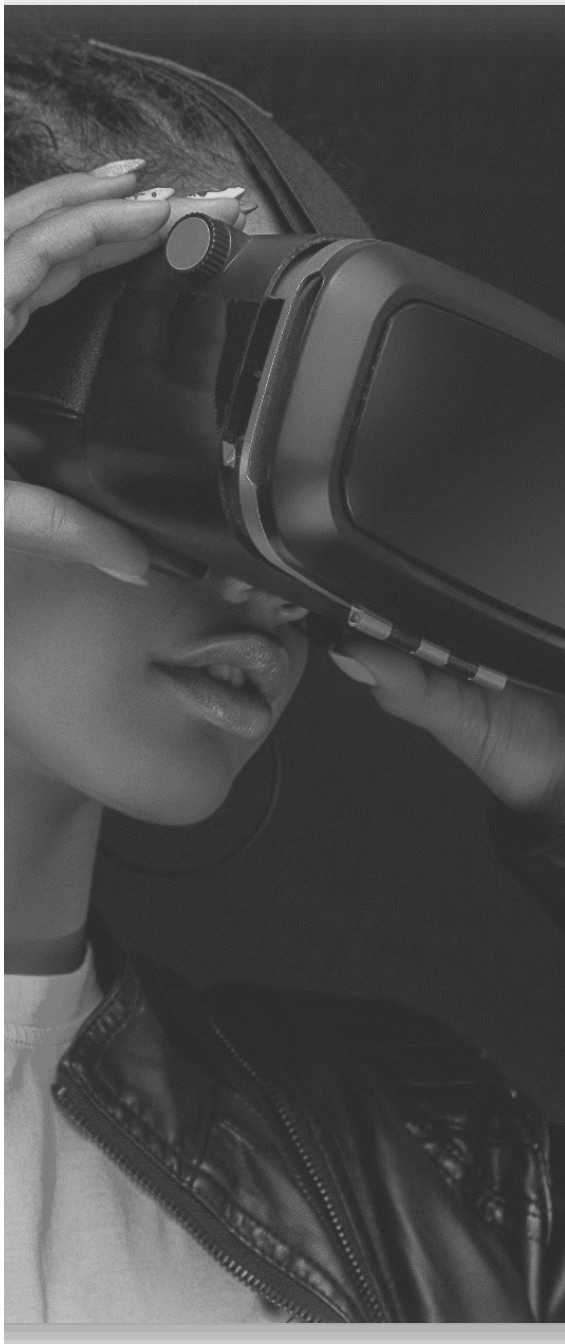
AED 18.2
billion

Representing a slight year over year decrease of **1%** and a margin of **35%**

Dividend Per Share

80 fils

Proposed final dividend payout of **40 fils** per share for the second half of 2022, representing a total dividend payout of **80 fils** for the full year



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Financial Highlights for Q4 2022

e& showcased strong operational and financial performance, despite macroeconomic headwinds and the Group's robust expansionary measures, reflecting the resilience of the Group

Aggregate Subscriber Base

163
million

Representing a year over year increase of **2%**

Consolidated Reported Revenues

AED 13.1
billion

Representing a year over year decline of **4%** with a **constant currency growth of 6%**

Consolidated Reported EBITDA

AED 6.0
billion

Representing a year over year decline of **8%** with growth **remaining stable in constant currency** and an EBITDA margin of **46%**

Consolidated Net Profit After Royalty

AED 2.7
billion

Representing a year over year increase of **25%** with a net profit margin of **20%**

Consolidated Capital Spending

AED 2.9
billion

Stable year over year with an intensity ratio of **22%**

Operating Free Cashflow

AED 3.1
billion

Representing a year over year decrease of **15%** and a margin of **24%**

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Key Developments in Q4 2022

Most valuable portfolio of telecom brands

e& was named the most valuable portfolio of telecom brands in the MEA region by the Brand Finance Global 500 report. etisalat by e& also retained its position as the strongest telecom brand across all categories in the MEA region and was ranked in the top three telecom brands globally.

Commitment to net zero

e& committed to achieving a net zero operation in the UAE by 2030 during its participation at COP27, becoming the first private sector entity in the country to join the UICCA to support the UAE's net zero strategy.

Most valuable 'Emirati' brand

etisalat by e& in UAE was named the most valuable 'Emirati' brand of the year by Kantar Brandz.

Vodafone stake increase

e& increased its ownership in Vodafone Group to 11% in 2022 and subsequently to 14% as of February 2023.

'GoWell' wellness app

First rewards-based, consumer fitness and wellness platform launched in the UAE.

Completion of STARZPLAY ARABIA Acquisition

The consortium, of which E-Vision owns 66.7%, acquired the controlling stake in STARZPLAY ARABIA. The acquisition provides potential for international expansion, leveraging the entertainment platform's reach across 20 global telcos.

e& enterprise formed a JV with Bespin Global

To enhance capabilities in cloud management, e& enterprise formed a JV with Bespin Global to offer cloud managed and professional services in the METAP region.

FutureNow Sustainability Challenge

Launched FutureNow Sustainability Challenge calling scale-ups from across the world to be part of developing innovative sustainable solutions.

Connecting ambulances with 5G

e& enterprise partnered with Response Plus Holding (RPM) to connect ambulances with 5G saving patients' lives in real time.

e& enterprise collaborates with SentiOne

e& enterprise sealed a partnership with SentiOne to offer omni-channel conversational AI solutions for business customers.

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Statement from H.E. Jassem Mohamed Bu Ataba Alzaabi, Chairman of e&

"The exceptional financial results achieved by e&, with revenues of AED 52.4 billion and a record net profit of AED 10.0 billion in 2022 is a strong testament to the success of our business transformation strategy. We are inspired by the UAE's leadership to push our boundaries and be at the forefront of the digital era by developing next-generation digital connectivity and cutting-edge solutions.

From diversifying our business and revenue streams to expanding to new verticals and introducing innovative services, we had a laser focus on leveraging the potential offered by digital transformation to create value for our 163 million subscribers across 16 markets.

As one of the top global telecom companies by market capitalisation today, our foremost priorities in 2022 was to be the digital transformation champion and create unique solutions that meet the aspirations of our subscribers, while delivering added value to the economies we serve. We take pride in being the trusted digital and tech partner, and in bringing the latest innovations to the fingertips of our customers.

We remain committed to serving our customers and creating long-term value for our shareholders. As a global technology and investment group, we will continue to work towards making a positive impact in the communities we serve. Our outstanding results in 2022 are the result of the dedication and hard work of our management team, who are relentless in their pursuit to establish e& as one of the world's most admired, trusted and valuable brands, and help communities shape their digital future."

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Statement from Hatem Dowidar, Group Chief Executive Officer of e&

"2022 has been a defining year for e& as we strengthened our transformation into a global technology and investment Group committed to digitally empowering societies. Despite various global challenges, our domestic and international operations achieved impressive results, reinforcing our leadership position in highly competitive and evolving markets.

Our strong fundamentals, knowledgeable and passionate team, and focus on developing innovative solutions, products, and services positioned us as one of the top providers across the communities we serve, as we empower them to unlock the true potential of the digital era. Our growth mindset enables us to achieve our goals while creating additional and long-term value for our customers and shareholders.

e&'s strategy and progressive vision allow us to explore future opportunities while fostering strong strategic partnerships with global technology players. Prudent mergers and acquisitions further accelerated our growth and diversification creating new streams of revenue and positioned us as a leading global technology group. We are grateful to our customers and shareholders for their continued support as we continue to pioneer broad-spectrum technologies, build impactful partnerships, and contribute to shaping the digital era of the future.

The Group's recognition as the most valuable portfolio of telecom brands in the MEA region, and etisalat by e&'s retention of its position as the strongest telecom brand across all categories in the region and one of the top three telecom brands in the world, underline the success of our strategic evolution and our commitment to building one of the fastest networks in the world."

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Subscribers

Aggregate subscribers as of 31 December 2022 stood at a solid 163 million, recording the highest number of subscribers in the Group's history. This translated to net additions of 4.0 million during the last 12-month period, mainly due to strong subscriber acquisition in Egypt, UAE, Pakistan, Mali, Burkina Faso, Chad, Ivory Coast and Benin. Quarter over quarter subscriber base increased by 1.0 million.

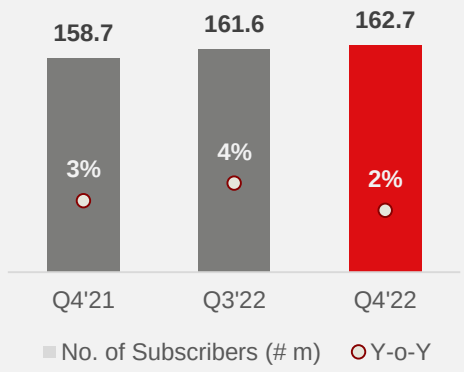
In the **UAE**, we continued solidifying our presence through maintaining high quality services and expanding our subscriber base by diversifying our product offering. As a result, the active subscriber base increased by 9% year over year and 3% quarter over quarter to report 13.8 million subscribers in the fourth quarter of 2022. The mobile subscriber base increased by 10% year on year to reach 12.1 million subscribers attributed to solid year on year growth in both the prepaid and postpaid segments, up year over year 10% and 8% respectively, supported by population growth and improved business and commercial activities. eLife subscription continues to stay-course its growth trajectory driven by our strong value proposition coupled with our superior network quality. This combination has helped drive consistent growth of 5% year on year to 1.2 million subscribers due to increase in both double and triple play subscriptions. This funnels down to growth in the broadband segment where subscribers witnessed an uptick of 6% year on year to record 1.4 million subscribers.

For **Maroc Telecom**, the subscriber base reached 75.4 million subscribers as at 31 December 2022, representing a year over year increase of 2%. This growth is mainly attributable to the operations in Mali, Burkina Faso, Chad, Ivory Coast and Benin.

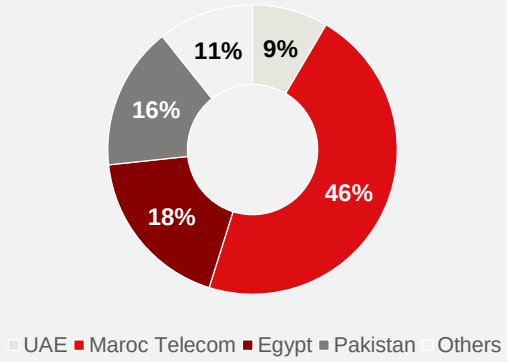
In **Egypt**, subscriber base witnessed an 8% increase year over year to 30.0 million subscribers.

In **Pakistan**, subscriber base stood at 26.0 million, representing a year over year increase of 3%, attributed to higher subscriber acquisition in the mobile and FTTH segments.

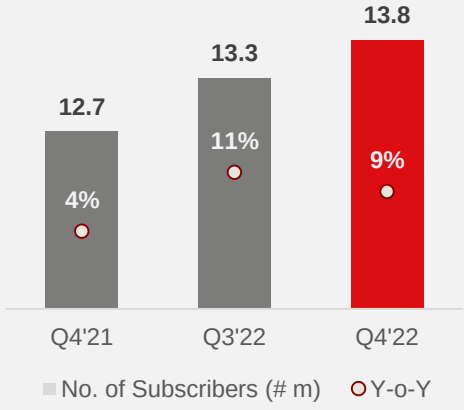
Aggregate Subscribers



Q4'22 Breakdown by OpCo



UAE Subscribers



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Revenue

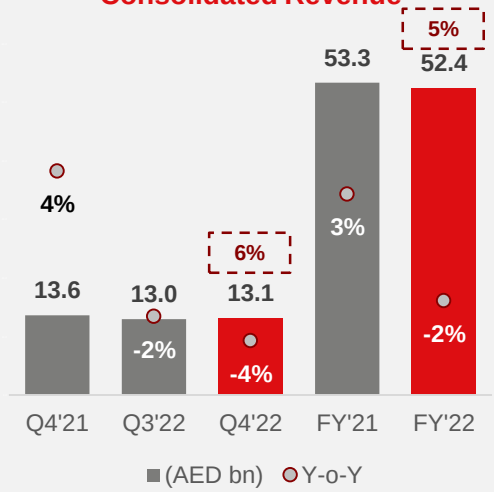
Consolidated reported revenue for the fourth quarter of 2022 amounted to AED 13.1 billion, representing a decline of 4% in comparison to the same period last year and a 1% increase quarter over quarter. Fourth quarter revenue continued to witness significant exchange rate volatility in the Egyptian Pound, Pakistani Rupee and Moroccan Dirham as a result of global macro-economic turbulence. This was mostly offset by strong performance in the UAE and strong local currency growth in Egypt and Pakistan operations. At constant exchange rates, revenue was robust and increased year over year by 6%. Full year consolidated revenue declined by 2% to AED 52.4 billion however increased by 5% in constant exchange rates.

In the **UAE**, revenue grew in the fourth quarter by 2% year on year and by 4% quarter over quarter to AED 8.0 billion. This increase is attributed to strong business activity in the country supported by population growth, tourism and robust overall economic growth. Mobile segment continued its year over year revenue growth at 3% to AED 2.9 billion as a result of the increase in subscribers and in bundled propositions to consumer and enterprise segments. As a result, we witnessed strong growth in mobile data and outbound roaming that compensated for the decline in voice revenue. Fixed segment revenue increased by 4% year over year reaching AED 2.9 billion, supported by higher internet, data and TV services offsetting legacy voice. Other segment revenue decreased year over year by a slight 1% to AED 2.2 billion attributed to lower business solutions revenue that is milestone driven.

For the full year, revenue increased by 3% to AED 31.2 billion attributed to growth in data, digital services, outbound roaming and TV services that offset the decline in voice revenue that continued to be impacted by the increased penetration of OTT services.

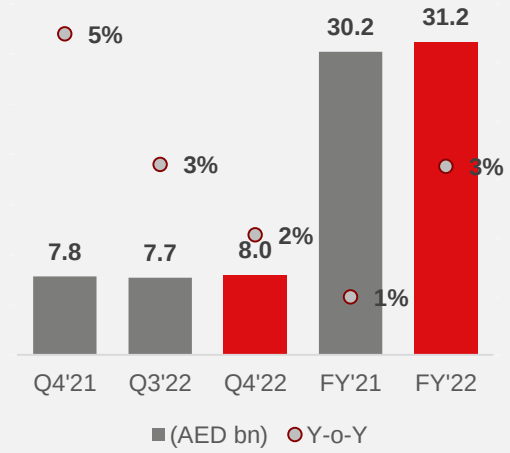
Reported revenues of **e& international** for the fourth quarter of 2022 decreased year over year by 15% to AED 4.8 billion and by 6% quarter on quarter. The decline is primarily attributable to the unfavourable exchange rate movements in the Egyptian Pound, Pakistani Rupee and Moroccan Dirham. At constant exchange rates, revenue of e& international remained resilient increasing year over year by 7%.

Consolidated Revenue

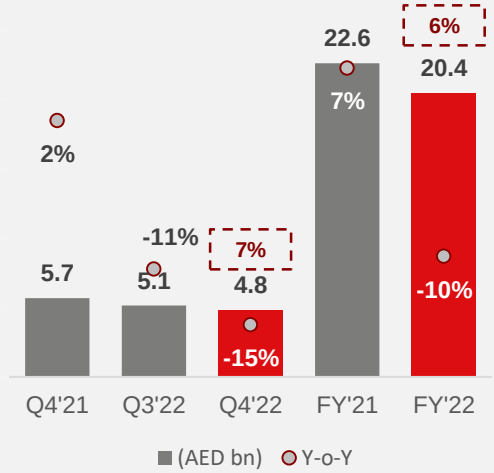


Constant Currency Growth Rate

UAE Revenue



International Revenue



Constant Currency Growth Rate

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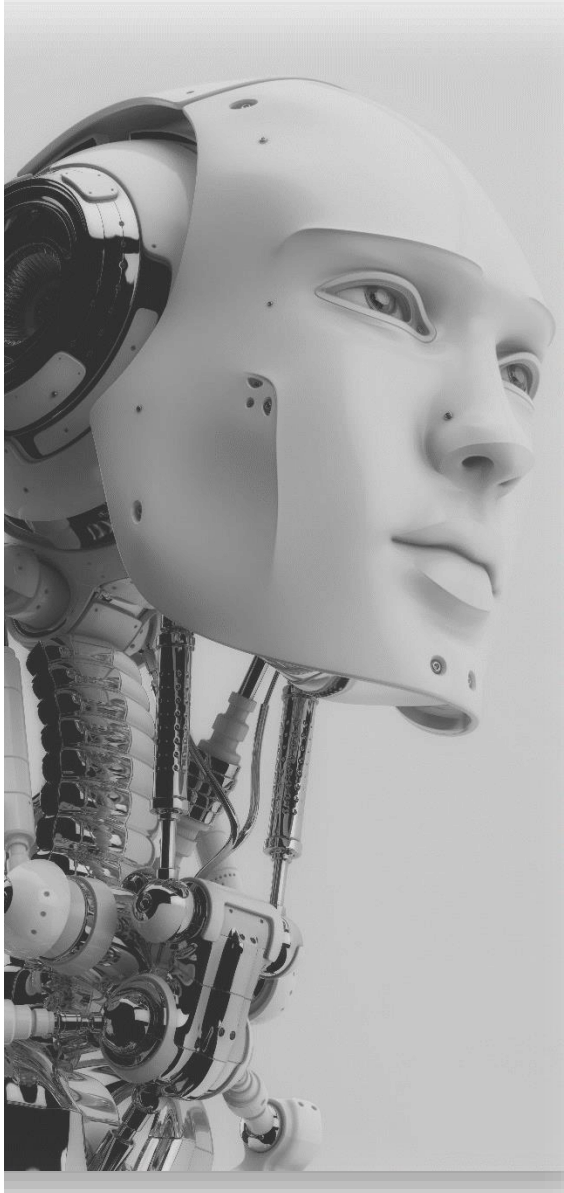
Revenue *(Continued…)*

For the full year, revenue generated from e& international decreased year on year by 10% to AED 20.4 billion attributed to the exchange rate devaluation. At constant rates however revenue increased by 6% attributed to growth in Egypt and Pakistan. Revenues from international operations represented 39% of the Group's consolidated revenue.

Maroc Telecom consolidated revenue for the fourth quarter of 2022 amounted to AED 2.9 billion, representing a year over year decrease of 16% attributed mainly to the unfavourable exchange movement of MAD against AED. In local currency, revenue decreased year over year by 1%. In Morocco, revenue declined year over year by 6% in local currency. The mobile segment revenue decreased by 7% year over year impacted by unfavourable regulatory and competitive environment. The fixed line segment, decreased by 4% year on year impacted by voice revenue. Revenue from international operations "Moov Africa" increased by 5% year over year in local currency mainly due to strong performance of mobile data, resulting in 50% contribution to Maroc Telecom Group's consolidated revenue.

For the full year, revenue decreased by 12% in AED due to MAD devaluation against AED; however revenue remained stable in MAD year over year. In Morocco, revenue declined year over year by 2% in local currency. Mobile revenue declined by 4% while fixed segment increased by 1%. The overall decline is attributed to the ongoing regulatory and competitive pressure that affected performance. Revenue from international operations "Moov Africa" increased by 2% year over year in MAD, resulting in 49% contribution to Maroc Telecom Group's consolidated revenue.

In **Egypt**, reported revenue for the fourth quarter of 2022 was AED 1.1 billion, witnessing a 20% decline year over year. In local currency however, revenue increased by a solid 21%. Revenue for the full year 2022 was AED 4.9 billion, decreasing year on year by 3%. In local currency, revenue increased 19%. The growth in the fourth quarter and full year is attributed to subscriber growth and strong contribution from mobile data, voice and wholesale revenue.



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Revenue *(Continued…)*

In **Pakistan**, reported revenue for the fourth quarter was AED 0.7 billion, representing a year over year decrease of 10%, primarily due to unfavourable exchange rate movements of the Pakistani Rupee against AED. In local currency, revenue increased by 17%. Full year revenue decreased by 12% to AED 2.7 billion however increased by 10% in local currency. The growth in local currency in the fourth quarter and full year was attributed to the positive contribution from fixed segment mainly due to strong growth in FTTH and corporate and wholesale segments; mobile segment supported by subscriber growth and mobile data as well as Ubank services.

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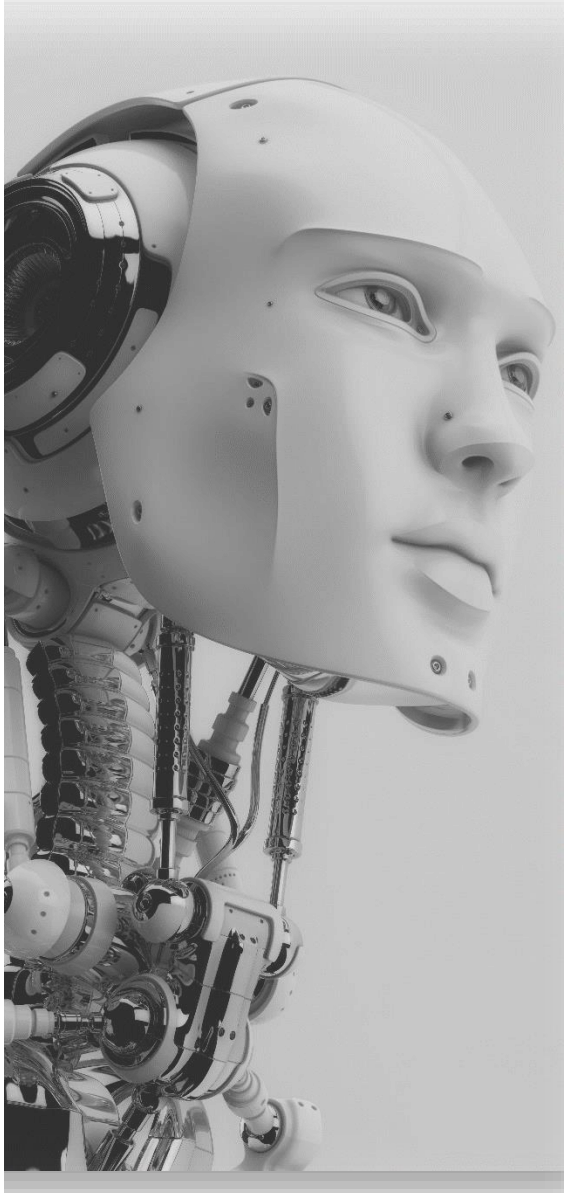

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Operating Expenses

Consolidated operating expenses for the fourth quarter of 2022 was AED 8.9 billion, a decrease of 1% compared to the same quarter of the previous year and an increase of 11% from the third quarter of 2022. The year on year decrease highlights the Group's continuous efforts to control and optimize costs to offset inflationary pressure exemplifying cost discipline. As a result, we experienced lower marketing, depreciation and network costs, among others. For the full year, consolidated operating expenses decreased by 2% to AED 33.3 billion mainly due to lower depreciation, staff costs, marketing and regulatory expenses.

Key components of operating expenses are:

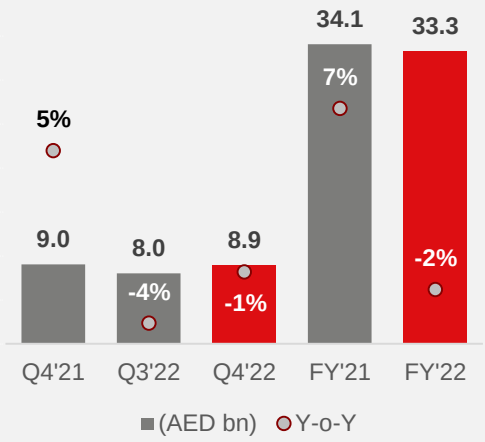
- **Direct cost of sales** witnessed a 7% increase year over year to AED 3.6 billion in the fourth quarter of 2022 and increased by 3% to AED 13.2 billion for the full year. As a percentage of revenue, it grew by 3 percentage points in the fourth quarter and by 1% for the full year reaching 25%. This increase is driven by changes in revenue mix and is supporting revenue growth in constant currency.

- **Staff expenses** increased year over year by 3% to AED 1.2 billion for the fourth quarter of 2022. For the full year however, staff expenses decreased by 5% to AED 4.5 billion. As a percentage of revenue, staff costs increased 1 percentage point for the fourth quarter and remained stable at 9% for the full year as compared to the prior year.

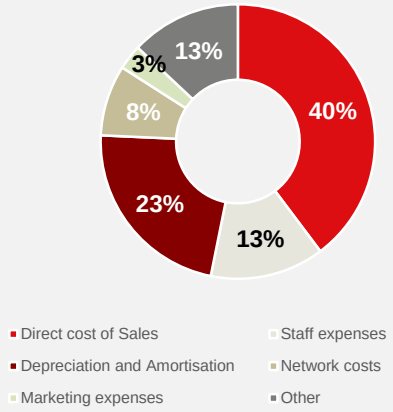
- **Depreciation and amortisation** decreased year over year by 16% to AED 1.8 billion in the fourth quarter of 2022 and decreased by 8% to AED 7.5 billion for the full year. As a percentage of revenue, depreciation and amortisation expenses decreased by 2 percentage points year over year to 14% for the fourth quarter and decreased by 1 percentage point for the full year.

- **Network costs** decreased by 1% year over year to AED 0.7 billion in the fourth quarter of 2022 and also decreased by 1% for the full year to AED 2.8 billion. As a percentage of revenue, network costs remained stable at 5% for the fourth quarter and for the full year.

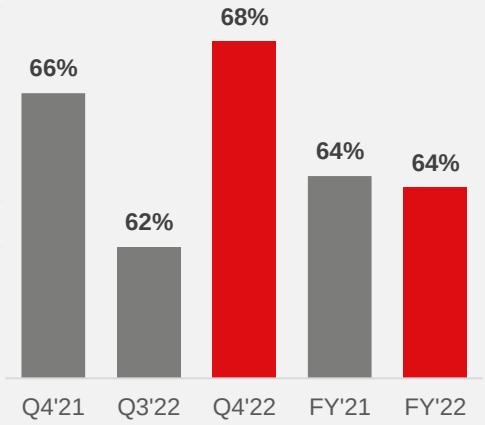
Consolidated OPEX



FY'22 OPEX Breakdown by OpCo



Consolidated OPEX as % of Revenue



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Operating Expenses *(Continued…)*

- **Marketing expenses** decreased year over year by 7% to AED 0.3 billion in the fourth quarter of 2022 and by 11% for the full year. As a percentage of revenue, marketing expenses remained steady compared to the prior year at 3% in the fourth quarter and at 2% for the full year.

- **Other operating expenses** decreased by 1% year over year to AED 1.2 billion in the fourth quarter and decreased by 2% for the full year to report AED 4.3 billion, mostly attributed to lower regulatory and general and administrative costs. As a percentage of revenue, other operating expenses remained stable at 9% in the fourth quarter and at 8% for the full year.

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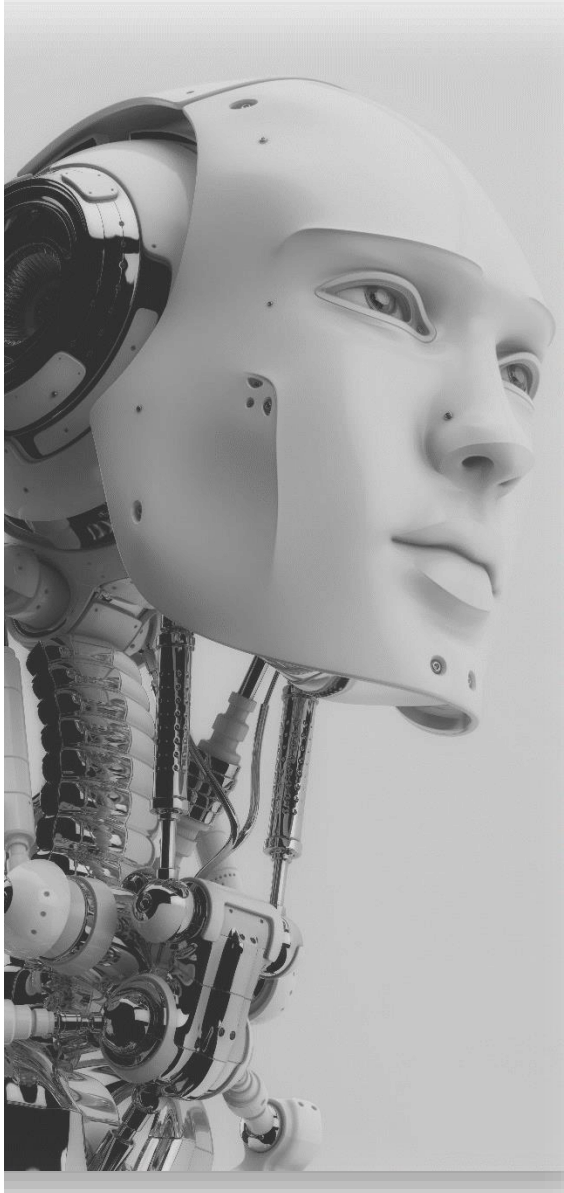

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EBITDA

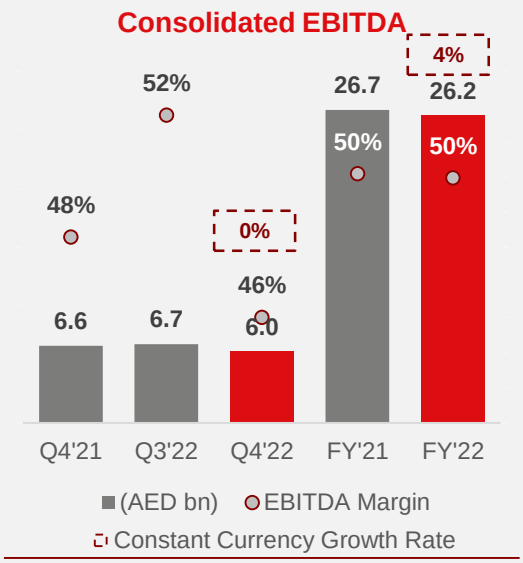
Group reported consolidated EBITDA for the fourth quarter of 2022 declined versus its comparable period in the previous year by 8% and 10% quarter on quarter to AED 6.0 billion, resulting in EBITDA margin of 46%. Year over year, the UAE operations reported strong growth however international operations were impacted by unfavourable foreign exchange rate movements. At constant exchange rates, Group consolidated EBITDA remained relatively stable.

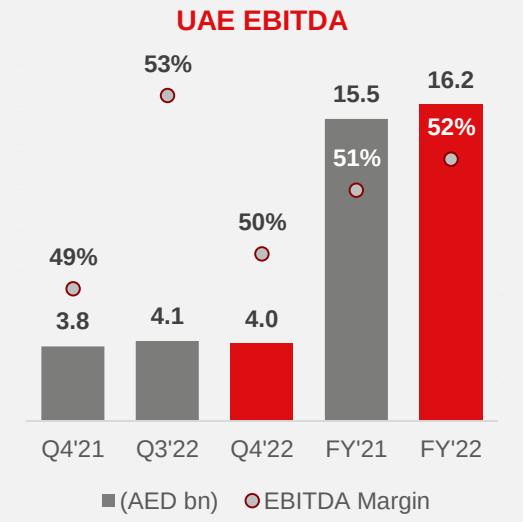
For the full year, EBITDA amounted to AED 26.2 billion, a decrease of 2% year over year, while in constant currency, EBITDA increased by 4%, resulting in an EBITDA margin of 50%, stable year over year.

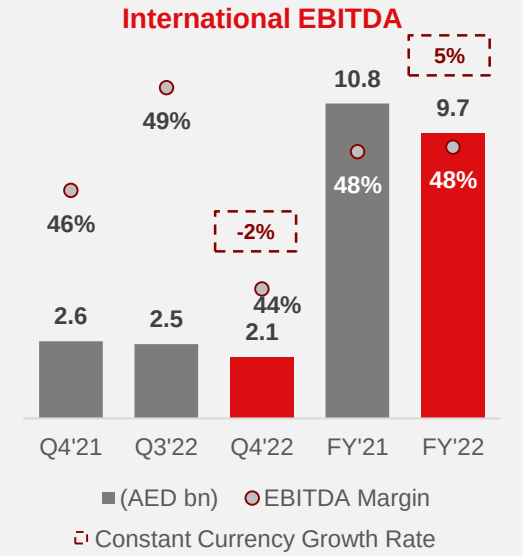
In the **UAE**, EBITDA in the fourth quarter of 2022 was AED 4.0 billion, representing a 4% increase year over year and leading to an EBITDA margin of 50%, 1 percentage point higher than the fourth quarter of the previous year. Full year EBITDA in 2022 increased by 5% to AED 16.2 billion resulting in an EBITDA margin of 52%, 1 percentage point higher than the prior year. The year over year increase in EBITDA in the fourth quarter and full year is attributed to higher revenue and continued cost efficiency measures.

Reported EBITDA of **e& international** decreased by 21% year over year and 17% quarter over quarter to report AED 2.1 billion in the fourth quarter, resulting in a 35% contribution to the Group's consolidated EBITDA. In constant currency, EBITDA declined by 2% year on year impacted by inflationary and competitive pressures and energy costs. For the full year, EBITDA declined by 9% to AED 9.7 billion resulting in EBITDA margin of 48%, stable versus the prior year. This drop is attributed mainly to foreign currency devaluation against AED. At constant exchange rates, EBITDA of e& international increased year over year by a solid 5%.

Maroc Telecom's reported consolidated EBITDA for the fourth quarter of 2022 decreased by 22% to AED 1.5 billion and resulted in an EBITDA margin of 52%, 4 percentage points lower than the same period in the prior year.







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EBITDA *(Continued…)*

In Moroccan Dirhams, EBITDA in absolute terms decreased by 7% year over year attributed to Moroccan operations whose EBITDA declined by 13% due to lower revenue and inflationary pressure that was partially offset by an increase in Moov Africa by 3%. Full year EBITDA declined by 12% to AED 6.7 billion, resulting in an EBITDA margin of 54%, stable compared to the prior year. In Moroccan Dirham, EBITDA decreased year over year by 1%. This is attributed to a decline in EBITDA in Morocco by 3% due to lower revenue. This was partially offset by growth in the EBITDA from Moov Africa that increased year over year by 2%.

In **Egypt**, reported EBITDA in the fourth quarter decreased year on year by 23% to AED 0.4 billion and EBITDA margin decreased by 2 percentage points to 34%. In local currency, EBITDA increased by 14% despite inflationary pressure, due to higher revenue. For the full year, EBITDA increased by 5% to AED 2.2 billion attributed to cost efficiency measures and increased by 26% in local currency.

In **Pakistan**, reported EBITDA in the fourth quarter of 2022 decreased year on year by 16% but increased quarter over quarter by 11% to AED 0.2 billion with EBITDA margin decreasing year over year by 2 percentage points to 27% and increasing 1 percentage point quarter over quarter. In local currency, EBITDA grew 10% year over year, despite higher staff and network costs due to higher energy and utility costs. For the full year 2022, EBITDA declined 20% to AED 0.8 billion with EBITDA margin lower by 3 percentage points at 28%. In local currency, EBITDA remained steady compared to the previous year.

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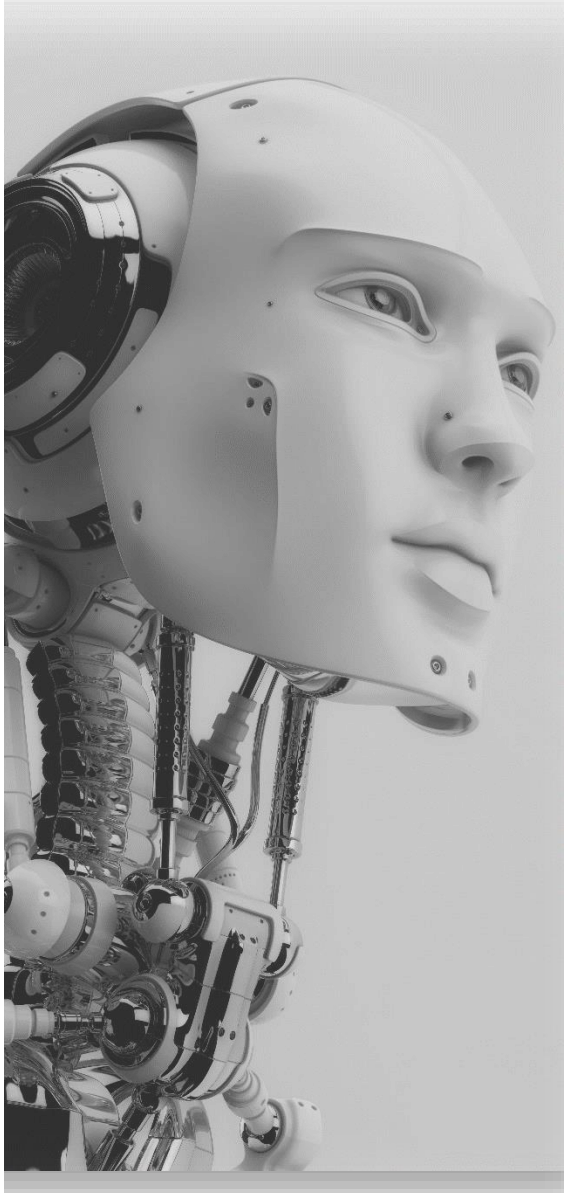

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Net Profit After Federal Royalty

Consolidated net profit after federal royalty attributed to the owners of the company increased year over year by 25% to AED 2.7 billion in the fourth quarter of 2022 and net profit margin increased by 5 percentage points to 20%. This increase is attributed to higher income from associates, lower depreciation, and amortization expenses, lower impairment on loss on trade receivables and contract assets and higher net finance and other income that compensated for the impact of higher forex losses, higher net finance and other costs and federal royalty charges.

Full year net profit increased by 7% to AED 10.0 billion resulting in profit margin of 19%. This increase is attributed to higher contribution from associates, lower impairment on loss on trade receivables and contract assets, and lower depreciation and amortization costs that compensated for higher net finance and other costs and federal royalty charges.

Earnings per share (EPS) amounted to AED 0.31 in the fourth quarter and AED 1.15 for the full year of 2022, an increase of 7% as compared to EPS of the previous year.

On 6 March 2023, the Board of Directors has resolved to propose a final dividend for the second half of 2022 at the rate of 40 fils per share, bringing the full year dividend to 80 fils per share. This proposal is subject to shareholders' approval at the Annual General Meeting scheduled on 11 April 2023. Final dividend to be paid to the shareholders registered as at the closing of the share register on Friday, 21 April 2023.

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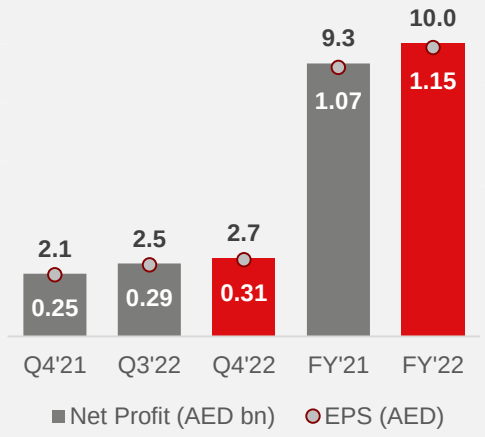
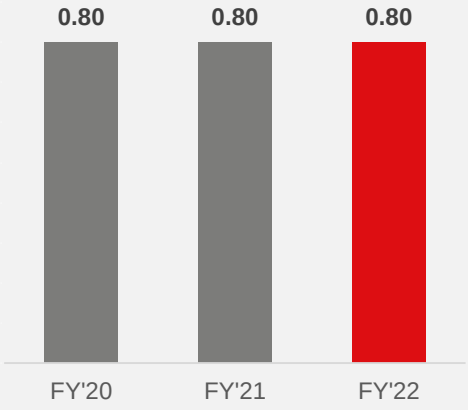
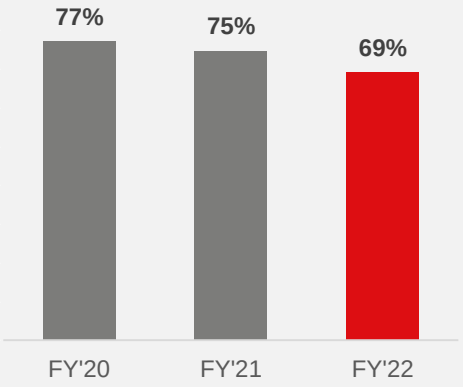
Net Profit & EPS



Dividend Per Share (AED)



Dividend Payout (%)



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CAPEX

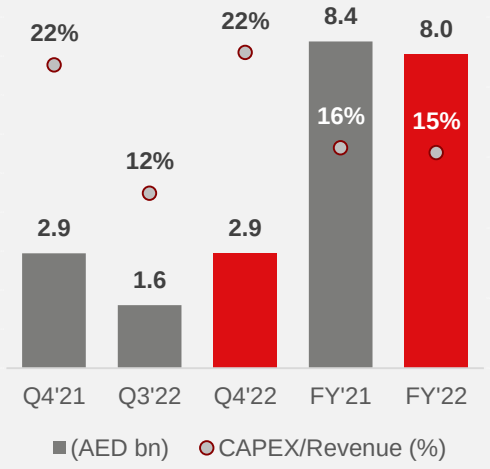
Consolidated capital expenditure remained stable year over year at AED 2.9 billion in the fourth quarter of 2022 resulting in a capital intensity ratio of 22%, 1 percentage point higher than the same period of the prior year. On a like-for-like basis, excluding spectrum costs and licenses, capital expenditure increased year over year by 12%. Full year capital expenditure decreased by 4% to AED 8.0 billion, resulting in capital intensity ratio of 15%, stable compared to the prior year. Excluding the spectrum and license acquisitions costs in the prior year, capital expenditure increased by 11% year on year and capital intensity ratio by 2 percentage points to 15%. Capital spending was driven by our ongoing commitment to expand our superior quality network, reinforcing our leadership position. This includes the deployment of 5G network in the UAE, expansion of fibre network within the countries of Maroc Telecom Group and Pakistan as well as the expansion of mobile networks coverage in Egypt, Pakistan and Moov Africa's markets.

In the **UAE**, capital expenditure during the quarter amounted to AED 1.4 billion, a 37% increase in comparison to the same period last year. Capital intensity ratio was 17%, 4 percentage points higher when compared to the same quarter of the prior year. Full year capital expenditure amounted to AED 2.7 billion, a 2% increase compared to the prior year. Capital intensity ratio was 9%, stable compared to 2021. Full year capex focused on network modernization, 5G network rollout, fibre expansion, and capacity enhancement to support the increase in data traffic while building capabilities to support new revenue streams in digital and ICT and network maintenance.

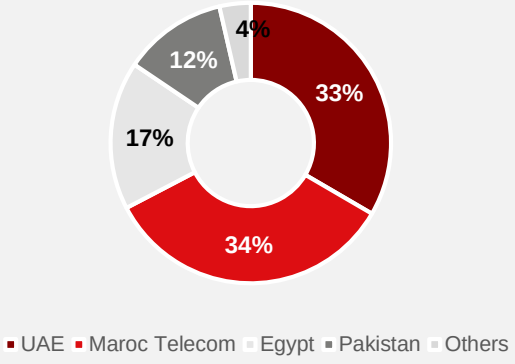
Capital expenditures in **e& international** in the fourth quarter of 2022 decreased by 24% to AED 1.4 billion compared to the same period last year and increased by 37% compared to the previous quarter. International operations represented 49% of the Group's total capital expenditure. Full year capital expenditures of e& international amounted to AED 5.2 billion, a 9% decrease compared to the prior year with a capital intensity ratio of 25%, stable compared to the prior year.

In **Maroc Telecom**, capital expenditure for the fourth quarter decreased in AED by 8% year over year and increased by 14% quarter over quarter to AED 0.7 billion, resulting in a capital intensity ratio of 25%.

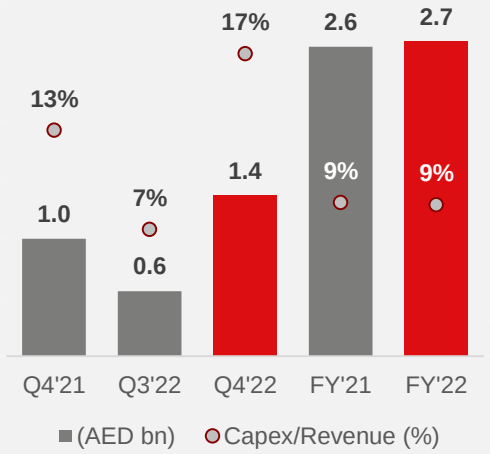
Consolidated CAPEX



FY'22 CAPEX Breakdown by OpCo



UAE CAPEX



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CAPEX *(Continued…)*

Capex spend during the quarter increased in Morocco in local currency by 6% year over year and in Moov Africa's operations increased by 8%. Full year capital expenditure increased by 19% to AED 2.7 billion resulting in a capital intensity ratio of 22%, which was 6 percentage points higher than last year. Capex spend in Morocco increased in local currency by 21% year over year and was focused on the fibre-to-the-home (FTTH) network, enhancing capacity and 4G coverage expansion. In Moov Africa's operations, capex increased year over year by 47% with spend focusing on networks expansion and upgrades to support the growth in traffic and customer base and FTTH networks rollout to new countries.

In **Egypt**, capital expenditure for the fourth quarter decreased by 60% year over year to AED 0.3 billion resulting in a capital intensity ratio of 25%, which was 25 percentage points lower than the same period of the prior year. Excluding the spectrum cost from the fourth quarter of 2021, capex intensity ratio decreased by 3 percentage points. Full year capital expenditure amounted to AED 1.4 billion, a 1% increase year over year and a capital intensity ratio of 28%, 1 percentage point higher than the prior year. Capital spending focused on spectrum acquisition, 4G deployment and upgrading of network capacity.

In **Pakistan**, capital expenditure for the fourth quarter remained stable year over year at AED 0.4 billion resulting in a capital intensity ratio of 62%, 6 percentage points higher than the prior year. Full year capital spending decreased by 51% to AED 1.0 billion resulting in a capital intensity ratio of 35%, 27 percentage points lower than the prior year. Excluding the spectrum acquisition cost in 2021, the capital intensity ratio decreased year over year by 6 percentage points. Capital spending focused on 4G network deployment post spectrum acquisition, expansion of FTTH network and enhancement of the fixed network's capacity.

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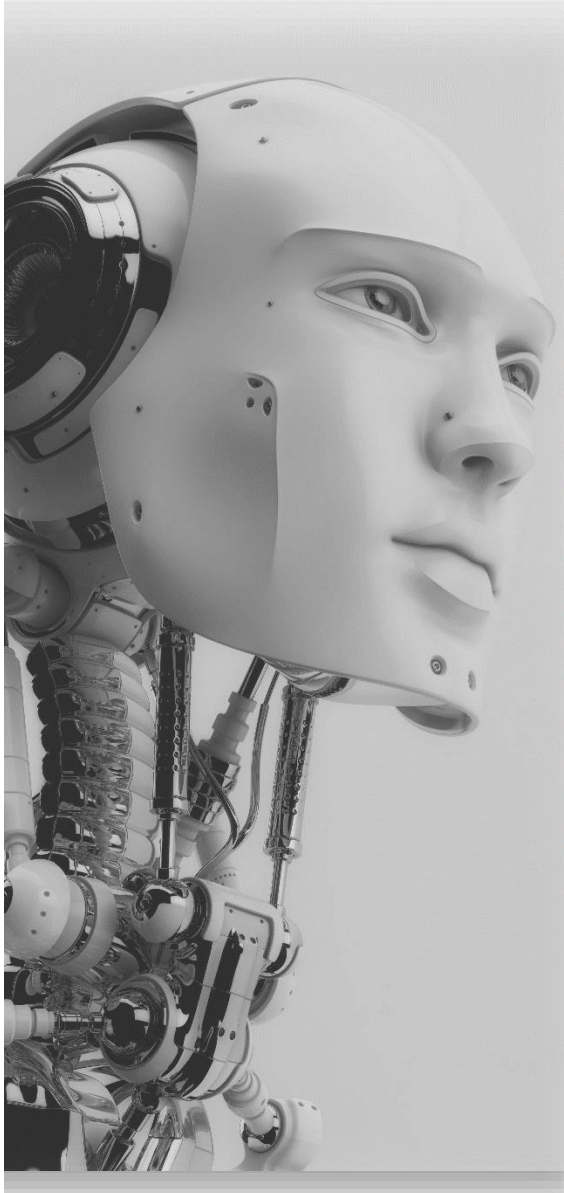

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Debt

Total consolidated debt amounted AED 48.0 billion as of 31 December 2022, as compared to AED 25.7 billion as at 31 December 2021; an increase of AED 22.2 billion. This increase is mainly attributed to bank borrowings to finance the investment in Vodafone Group.

Consolidated debt breakdown by operations as of 31 December 2022 is as following:

- Group (AED 37.3 billion)
- Maroc Telecom Group (AED 5.9 billion)
- PTCL Group (AED 3.5 billion)
- etisalat by e& Egypt (AED 1.3 billion)

Around 50% of the debt balance is of long-term maturity that is due beyond 2023.

Currency mix for external borrowings is 46% in USD, 18% in Euros, 16% in AED and 20% in other currencies.

Consolidated cash balance amounted to AED 32.8 billion as of 31 December 2022 leading to a net debt position of AED 15.1 billion and a Net Debt /EBITDA ratio of only 0.58x.

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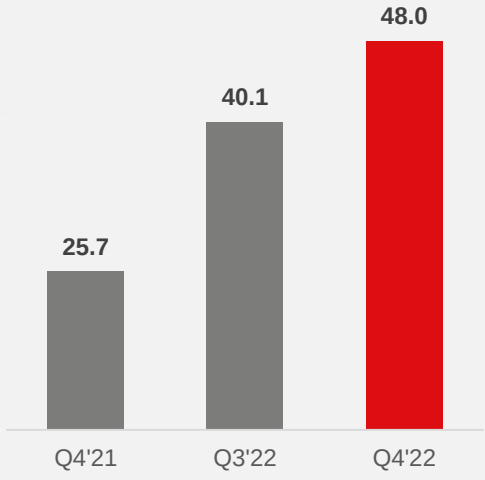
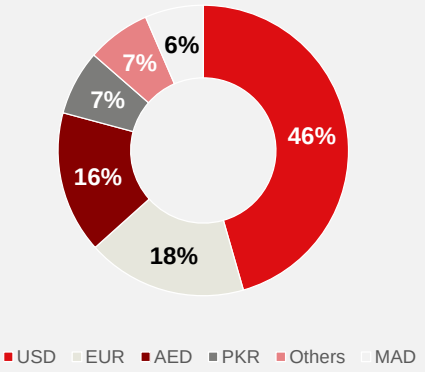
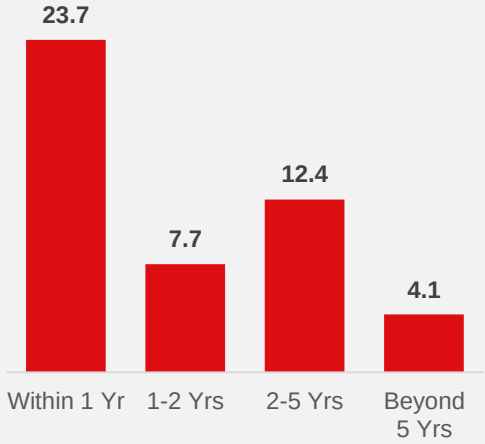
Total Debt (AED bn)



FY'22 Borrowings by Currency (%)



Repayment Schedule (AED m)



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Performance Against Guidance FY 2022

Full year 2022 performance exceeded management's guidance in constant currency across all key financial metrics reflecting the consistency of the performance and strong financial results.

Key Financial Metrics	Revised Guidance FY 2022	Actual FY 2022
Revenue Y-o-Y Growth in Constant Currency (%)	Low single digit growth	+4.7%
EBITDA Margin (%)	~ 50.0 - 51%	50.0%
EPS (AED)	~ 1.12	1.15
Capex/ Revenue (%)	14.5% - 15.5%	15.3%

Guidance FY 2023

Key Financial Metrics	Actual FY 2022	Revised Guidance FY 2023
Revenue Y-o-Y Growth in Constant Currency (%)	+4.7%	Low to mid single digit growth
EBITDA Margin (%)	50.0%	~ 49.0%
EPS (AED)	1.15	1.13 - 1.15
CAPEX/ Revenue (%)	15.3%	15% - 17%

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Key Financial Highlights

P&L Statement:

(AED m)	Q4'21	Q3'22	Q4'22	QoQ	YoY	FY'21	FY'22	YoY
Revenue	13,613	12,973	13,135	+1.2%	-3.5%	53,342	52,434	-1.7%
EBITDA	6,573	6,714	6,042	-10.0%	-8.1%	26,721	26,202	-1.9%
EBITDA Margin	48.3%	51.8%	46.0%	-5.8pp	-2.3pp	50.1%	50.0%	-0.1pp
Federal Royalty	(1,304)	(1,565)	(1,329)	-15.1%	+2.0%	(5,542)	(5,771)	+4.1%
Net Profit	2,136	2,484	2,659	+7.1%	+24.5%	9,317	10,007	+7.4%
Net Profit Margin	15.7%	19.1%	20.2%	+1.1pp	+4.6pp	17.5%	19.1%	+1.6pp

Balance Sheet:

(AED m)	December 2021	December 2022
Cash & Bank Balances	28,575	32,839
Total Assets	128,197	145,085
Total Debt	25,732	47,954
Net Cash / (Debt)	2,843	(15,115)
Total Equity	57,564	49,999

Cashflow Statement:

(AED m)	FY' 2021	FY' 2022
Operating	18,111	19,135
Investing	(8,775)	(27,269)
Financing	(13,086)	13,621
Net change in cash	(3,751)	5,486
Effect of FX rate changes	1,039	(1,003)
Others	(58)	(219)
Ending cash balance	28,575	32,839

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Foreign Exchange Rates

	Average Rates			Closing Rates		
	Q4'21	Q4'22	YOY	Q4'21	Q4'22	YOY
EGP - Egyptian Pound	0.2335	0.1553	***-33.50%***	0.2338	0.1483	***-36.55%***
SAR - Saudi Riyal	0.9789	0.9768	***-0.21%***	0.9782	0.9772	***-0.10%***
CFA - Central African Franc	0.0064	0.0057	***-11.87%***	0.0064	0.0060	***-5.95%***
PKR - Pakistani Rupee	0.0212	0.0163	***-23.04%***	0.0208	0.0162	***-22.28%***
AFA - Afghanistan Afghani	0.0392	0.0409	***4.33%***	0.0351	0.0408	***16.22%***
MAD - Moroccan Dirham	0.4012	0.3399	***-15.29%***	0.3960	0.3513	***-11.29%***

Reconciliation of non-IFRS Financial Measurements

We believe that EBITDA is a measurement commonly used by companies, analysts and investors in the telecommunications industry, which enhances the understanding of our cash generation ability and liquidity position, and assists in the evaluation of our capacity to meet our financial obligations. We also use EBITDA as an internal measurement tool and, accordingly, we believe that the presentation of EBITDA provides useful and relevant information to analysts and investors.

Our EBITDA definition includes revenue, staff costs, direct cost of sales, regulatory expenses, operating lease rentals, repairs and maintenance, general financial expenses, and other operating expenses.

EBITDA is not a measure of financial performance under IFRS, and should not be construed as a substitute for net earnings (loss) as a measure of performance or cash flow from operations as a measure of liquidity. The following table provides a reconciliation of EBITDA, which is a non-IFRS financial measurement, to Operating Profit before Federal Royalty, which we believe is the most directly comparable financial measurement calculated and presented in accordance with IFRS.

(AED m)	Q4'21	Q3'22	Q4'22	FY'21	FY'22
EBITDA	**6,573**	**6,714**	**6,042**	**26,721**	**26,202**
Depreciation & Amortization	**(2,186)**	**(1,830)**	**(1,846)**	**(8,195)**	**(7,516)**
Exchange Gain/ (Loss)	**(127)**	**(127)**	**(102)**	**(333)**	**(378)**
Share of Associates and JV's results	**89**	**127**	**190**	**297**	**417**
Impairment and other losses	**(148)**	**(0)**	**(3)**	**(148)**	**(3)**
Operating Profit before Royalty	**4,201**	**4,885**	**4,282**	**18,341**	**18,722**

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Disclaimer

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The information contained in this Presentation is an overview, and should not be considered as the giving of investment advice by the Company or any of its shareholders, directors, officers, agents, employees or advisers. Each party to whom this Presentation is made available must make its own independent assessment of the Company after making such investigations and taking such advice as may be deemed necessary.

Where this Presentation contains summaries of documents, those summaries should not be relied upon and the actual documentation must be referred to for its full effect.

This Presentation includes certain “forward-looking statements”. Such forward looking statements are not guarantees of future performance and involve risks of uncertainties. Actual results may differ materially from these forward looking statements.

About e&

e& is an international, blue-chip organisation with operations in 16 countries across the Middle East, Africa and Asia. It is one of the leading telecom and technology conglomerates with one of the largest market capitalisations among global telcos. It is a highly rated organisation with ratings from Standard & Poor’s and Moody’s (AA-/Aa3).

The Group’s shareholding structure consists of 60% held by the Emirates Investment Authority and 40% free float. e& (Ticker: EAND) is quoted on the Abu Dhabi Securities Exchange (ADX).

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